

# SULTAN CITY COUNCIL

## AGENDA ITEM COVER SHEET

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**ITEM NO:** Action – A 1

**DATE:** March 12, 2009

**SUBJECT:** Ordinance 1027-09 Amending the Interim Garbage Collection Rates

**CONTACT PERSON:** Laura Koenig, Clerk/Deputy Finance Director

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**ISSUE:**

The issue before the Council is to conduct the first reading of Ordinance 1027-09 (Attachment A) amending Ordinance 1014-09 (Attachment B) to increase the Garbage Rates for 2009 as an interim measure until the budgeted 2009 Garbage Rate Study can be completed.

**STAFF RECOMMENDATION:**

1. Approve first reading of Ordinance 1027-09 adopting interim garbage rates; providing for severability; and establishing an effective date.

**SUMMARY:**

The City Council adopted Ordinance 1014-09 on January 22, 2009 to provide for interim garbage collection rates. The new rates were effective on February 1, 2009.

During the billing set up it was discovered that the 20% increase was not correctly calculated as it was based on an amount that included the 3.6% state tax. The prior utility billing program did not calculate the 3.6% state tax and the amount was included in the base rate. The Utility billing program in Springbrook is set up to calculate the state and city tax on the monthly base rate. The ordinance has been revised to show the base rate only. See illustration below:

**RATES PER ORDINANCE 1014-09**

Service	Current Rate	Plus 3.6% St. U Tx	Sub-Total	Plus 20%	New Rate	Plus 6% City UT	Plus 3.6%	Total Charge
Res. 1 x month	5.55	0.20	5.75	1.15	6.90	0.41	0.25	7.56
Res. 2 x month	8.69	0.31	9.00	1.80	10.80	0.65	0.39	11.84
Res. 1 x week	14.96	0.54	15.50	3.10	18.60	1.12	0.67	20.39
Res. 2 x week	33.78	1.22	35.00	7.00	42.00	2.52	1.51	46.03
Res. Extra can/bag	8.45	0.30	8.75	1.75	10.50	0.63	0.38	11.51

**RATES PER AMENDED ORDINANCE 1027-09**

Service	Current Rate	Plus 20%	New Rate	Plus 3.6% St. U T	Plus 6% City U T	Total Charge	Total Difference
Res. 1 x month	5.55	1.11	6.66	0.24	0.40	7.30	0.24
Res. 2 x month	8.69	1.74	10.43	0.38	0.63	11.44	0.37
Res. 1 x week	14.96	2.99	17.95	0.65	1.08	19.68	0.65
Res. 2 x week	33.78	6.76	40.54	1.46	2.43	44.43	1.46
Res. Extra can/bag	8.45	1.69	10.14	0.37	0.61	11.12	0.36

The rates were revised for the February billing. The intent of the Council was to increase the rates by 20% only and review the rates after the Rate Study was complete.

The Council needs to make a policy decision are the billing:

- 1) Should the city leave the rates as passed in Ordinance 1014-09. This option will increase the rates by more than 20%.
- 2) Should the city adopt the revised ordinance and credit the customers the difference in the rates? This option will be consistent with the Council's original intent.

**FISCAL IMPACT:**

The difference in the rates range from \$.24 per month to \$14.34 per month for customers.

**RECOMMENDED ACTION:**

Introduction of Ordinance 1027-09 adopting interim garbage rates; providing for severability; and establishing an effective date.

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**ATTACHMENTS:**

- A. Ordinance 1027-09 Interim Garbage Rates
- B. Ordinance 1014-09 Garbage Rate Increase
- C. Spreadsheet with Calculation Detail

CITY OF SULTAN  
WASHINGTON  
ORDINANCE NO. 1027-09

AN ORDINANCE OF THE CITY OF SULTAN, WASHINGTON,  
AMENDING ORDINANCE 1014-09 TO ADOPT INTERIM  
GARBAGE RATES; PROVIDING FOR SEVERABILITY; AND  
ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Council adopted Ordinance 1014-09 on January 22, 2009; and

WHEREAS, the intent of the Council was to increase rates by 20%; and

WHEREAS, there was an error in the calculated increases; and

WHEREAS, the garbage utility is an enterprise fund and all enterprise funds are required to collect sufficient revenues to cover expenses; and

WHEREAS, increasing garbage rates and charges is necessary until the garbage rate study is complete; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Establish rates and charges for garbage service as follows:

**1. Residential (Per Dwelling Unit Per Month)**

**All rates are subject to a 3.6% State Utility Tax and a 6% City Utility Tax**

Twice a week pickup.....	\$42.00	<b>\$40.54</b>
Once a week pickup.....	\$18.60	<b>\$17.95</b>
Twice a month pickup.....	\$10.80	<b>\$10.43</b>
Once a month pickup.....	\$6.90	<b>\$6.66</b>
Extra Garbage (Each - Regardless of Size).....	\$10.50	<b>\$10.14</b>
Qualified low income senior citizen once a week pickup.....	\$8.64	<b>\$8.34</b>
Senior Citizen/low income annual application must be made at City Hall.....		Free

**2. Recycling and Yard Waste or as per negotiated agreement with vendor (Per Dwelling Unit Per Month)**

Single family detached and multi-family units..... (duplex, triplex, and fourplex)	\$4.50
Multi-family units of five units or larger.....	\$4.50
Qualified low income senior citizens.....	\$3.50

**3. Commercial (Monthly)**

**All rates are subject to a 3.6% State Utility Tax and a 6% City Utility Tax**

Once a week pickup (per unit).....	\$18.60	<b>\$17.95</b>
Each additional can or bag.....	\$10.50	<b>\$10.14</b>
Pickup of 1 yard dumpster bi-monthly.....	\$34.50	<b>\$33.30</b>
Pickup of 1 yard dumpster one time per week.....	\$69.00	<b>\$66.60</b>
Pickup of 1 yard dumpster two times per week.....	\$136.50	<b>\$131.76</b>
Pickup of 2 yard dumpster bi-monthly.....	\$69.00	<b>\$66.60</b>
Pickup of 2 yard dumpster one time per week.....	\$136.50	<b>\$131.76</b>
Pickup of 2 yard dumpster two times per week.....	\$274.50	<b>\$264.86</b>
Pickup of 3 yard dumpster bi-monthly.....	\$103.50	<b>\$99.90</b>
Pickup of 3 yard dumpster one time per week.....	\$205.50	<b>\$198.36</b>
Pickup of 3 yard dumpster two times per week.....	\$412.50	<b>\$398.17</b>

Mobile home courts garbage rates will be in accordance with separate agreements with the City of Sultan.

**4. CALL BACK - due to garbage not placed out in time or obstructed**

Can pickup charge.....	\$21.00
Dumpster pickup charge (Equal to 3 extra can charge).....	\$36.00

**5. Temporary Dumpsters (Maximum use is 15 days as defined in SMC 13.16.055)**

Damage Deposit (Required to be paid before delivery)	
1 yard dumpster.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00
Delivery/Pickup (each service).....	\$105.00
Pickup of 1 yard dumpster (each time).....	\$40.50
Pickup of 2 yard dumpster (each time).....	\$81.00
Pickup of 3 yard dumpster (each time).....	\$121.50

**6. Dumpster Leases**

All multi-family units within the City of Sultan will be required to have a dumpster(s) sized to meet the requirement of SMC 13.16.050(A). No permanent dumpsters are allowed at single-family or duplex units.

Dumpsters shall be owned by the City and leased to the users. Maintenance and repair shall be the responsibility of the City.

**Deposit:**

1 yard dumpster.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00

**Monthly lease (billed monthly)**

1 yard dumpster.....	<del>\$11.90</del>	<b>\$10.50</b>
2 yard dumpster.....	<del>\$19.50</del>	<b>\$17.50</b>
3 yard dumpster.....	<del>\$54.75</del>	<b>\$20.70</b>

Pick Up/Delivery Fee (each service).....	\$105.00
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**ATTACHMENT A 3**

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on March 1, 2009.

**ADOPTED** BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON  
THE        DAY OF        , 2009.

CITY OF SULTAN

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Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

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Laura Koenig, City Clerk

Approved as to form:

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Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date:

CITY OF SULTAN  
WASHINGTON  
ORDINANCE NO. 1014-09

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AN ORDINANCE OF THE CITY OF SULTAN, WASHINGTON,  
ADOPTING INTERIM GARBAGE RATES; PROVIDING FOR  
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

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WHEREAS, Snohomish County Solid Waste notified the City of Sultan on December 10, 2008 of an increase of tipping fees from \$89.00 to \$105.00 per ton effective March 1, 2009; and

WHEREAS, Allied Waste notified the City of Sultan in October 2008 that recycling rates will increase by 20% to the City per customer on January 1, 2009; and

WHEREAS, the garbage utility is an enterprise fund and all enterprise funds are required to collect sufficient revenues to cover expenses; and

WHEREAS, the City Council authorized and budgeted a Garbage Rate Study in 2009; and

WHEREAS, increasing garbage rates and charges is necessary until the garbage rate study is complete; and

WHEREAS, the City of Sultan held a public hearing on December 11, 2008 and received public comment on the proposed interim increase to rates and charges;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Establish rates and charges for garbage service as follows:

- 1. **Residential (Per Dwelling Unit Per Month)**
  - Twice a week pickup.....\$42.00
  - Once a week pickup.....\$18.60
  - Twice a month pickup.....\$10.80
  - Once a month pickup.....\$6.90
  - Extra Garbage (Each - Regardless of Size).....\$10.50
  - Qualified low income senior citizen once a week pickup.....\$8.64
  - Senior Citizen/low income annual application must be made at City Hall.....Free
- 2. **Recycling and Yard Waste or as per negotiated agreement with vendor (Per Dwelling Unit Per Month)**
  - Single family detached and multi-family units.....\$4.50  
(duplex, triplex, and fourplex)
  - Multi-family units of five units or larger.....\$4.50
  - Qualified low income senior citizens.....\$3.50

**ATTACHMENT B 2**

**3. Commercial (Monthly)**

Once a week pickup (per unit).....	\$18.60
Each additional can or bag.....	\$10.50
Pickup of 1 yard dumpster bi-monthly.....	\$34.50
Pickup of 1 yard dumpster one time per week.....	\$69.00
Pickup of 1 yard dumpster two times per week.....	\$136.50
Pickup of 2 yard dumpster bi-monthly.....	\$69.00
Pickup of 2 yard dumpster one time per week.....	\$136.50
Pickup of 2 yard dumpster two times per week.....	\$274.50
Pickup of 3 yard dumpster bi-monthly.....	\$103.50
Pickup of 3 yard dumpster one time per week.....	\$205.50
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Dumpsters shall be owned by the City and leased to the users. Maintenance and repair shall be the responsibility of the City.

**Deposit:**

1 yard dumpster.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00

**Monthly lease (billed monthly)**

1 yard dumpster.....	\$11.90
2 yard dumpster.....	\$19.50
3 yard dumpster.....	\$54.75
Pick Up/Delivery Fee (each service).....	\$105.00

**ATTACHMENT B 3**

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on February 1, 2009..

**ADOPTED** BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 22<sup>ND</sup> DAY OF JANUARY, 2009.

CITY OF SULTAN

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Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

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Laura Koenig, City Clerk

Approved as to form:

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Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date:

**RATES PER ORDINANCE 1014-09**

Service	Current Rate	Plus 3.6% St. U Tx	Sub-Total	Plus 20%	New Rate	Plus 6% City UT	Plus 3.6%	Total Charge
Res. 1 x month	5.55	0.20	5.75	1.15	6.90	0.41	0.25	7.56
Res. 2 x month	8.69	0.31	9.00	1.80	10.80	0.65	0.39	11.84
Res. 1 x week	14.96	0.54	15.50	3.10	18.60	1.12	0.67	20.39
Res. 2 x week	33.78	1.22	35.00	7.00	42.00	2.52	1.51	46.03
Res. Extra can/bag	8.45	0.30	8.75	1.75	10.50	0.63	0.38	11.51
Com. 1 x week	14.96	0.54	15.50	3.10	18.60	1.12	0.67	20.39
Com. Extra can/bag	8.45	0.30	8.75	1.75	10.50	0.63	0.38	11.51
Com. 1 yd. bi-monthly	27.75	1.00	28.75	5.75	34.50	2.07	1.24	37.81
Com. 1 yd. 1 x week	55.50	2.00	57.50	11.50	69.00	4.14	2.48	75.62
Com. 1 yd. 2 x week	109.80	3.95	113.75	22.75	136.50	8.19	4.91	149.60
Com. 2 yd. bi-monthly	55.50	2.00	57.50	11.50	69.00	4.14	2.48	75.62
Com. 2 yd. 1 x week	109.80	3.95	113.75	22.75	136.50	8.19	4.91	149.60
Com. 2 yd. 2 x week	220.80	7.95	228.75	45.75	274.50	16.47	9.88	300.85
Com. 3 yd. bi-monthly	83.25	3.00	86.25	17.25	103.50	6.21	3.73	113.44
Com. 3 yd. 1 x week	165.30	5.95	171.25	34.25	205.50	12.33	7.40	225.23
Com. 3 yd. 2 x week	331.81	11.95	343.76	68.75	412.51	24.75	14.85	452.11

**RATES PER AMENDED ORDINANCE 1027-09**

Service	Current Rate	Plus 20%	New Rate	Plus 3.6% St. U T	Plus 6% City U T	Total Charge	Total	20%
							Difference	Difference
Res. 1 x month	5.55	1.11	6.66	0.24	0.40	7.30	0.24	-0.04
Res. 2 x month	8.69	1.74	10.43	0.38	0.63	11.44	0.37	-0.06
Res. 1 x week	14.96	2.99	17.95	0.65	1.08	19.68	0.65	-0.11
Res. 2 x week	33.78	6.76	40.54	1.46	2.43	44.43	1.46	-0.24
Res. Extra can/bag	8.45	1.69	10.14	0.37	0.61	11.12	0.36	-0.06
Com. 1 x week	14.96	2.99	17.95	0.65	1.08	19.68	0.65	-0.11
Com. Extra can/bag	8.45	1.69	10.14	0.37	0.61	11.12	0.36	-0.06
Com. 1 yd. bi-monthly	27.75	5.55	33.30	1.20	2.00	36.50	1.20	-0.01
Com. 1 yd. 1 x week	55.50	11.10	66.60	2.40	4.00	73.00	2.40	-0.40
Com. 1 yd. 2 x week	109.80	21.96	131.76	4.74	7.91	144.41	4.74	-0.79
Com. 2 yd. bi-monthly	55.50	11.10	66.60	2.40	4.00	73.00	2.40	-0.40
Com. 2 yd. 1 x week	109.80	21.96	131.76	4.74	7.91	144.41	4.74	-0.79
Com. 2 yd. 2 x week	220.80	44.16	264.96	9.54	15.90	290.40	9.54	-1.59
Com. 3 yd. bi-monthly	83.25	16.65	99.90	3.60	5.99	109.49	3.60	-0.60
Com. 3 yd. 1 x week	165.30	33.06	198.36	7.14	11.90	217.40	7.14	-1.19
Com. 3 yd. 2 x week	331.81	66.36	398.17	14.33	23.89	436.39	14.34	-2.39

